STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

COMMONWEALTH EDISON COMPANY	)	
	)	
Petition for General Increase in Delivery Service Rates	)	Docket No. 10-0467
	)	

REBUTTAL TESTIMONY OF ROGER D. COLTON

ON BEHALF OF

THE PEOPLE OF THE STATE OF ILLINOIS

DATED: DECEMBER 23, 2010

Q. PLEASE STATE YOUR NAME AND ADDRESS.

A. My name is Roger Colton. My address is 34 Warwick Road, Belmont, Massachusetts.

Q. ARE YOU THE SAME ROGER COLTON WHO PREVIOUSLY FILED DIRECT TESTIMONY IN THIS PROCEEDING ON BEHALF OF THE PEOPLE OF THE STATE OF ILLINOIS?

A. Yes, I am.

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY TODAY?

A. The purpose of my rebuttal testimony today is to respond to certain rebuttal testimony filed on behalf of Commonwealth Edison Company regarding what constitutes the "public interest" in ratemaking. I will further respond to the testimony of ComEd witnesses in support of the Company's proposed low-income program.

Part 1. Ratemaking and the Determination of the "Public Interest."

Q. PLEASE EXPLAIN THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY.

A. In this section of my testimony, I respond to the testimony of Michael Guerra and Philip O'Connor regarding the process of ratemaking. It is fundamental regulatory doctrine that utility ratemaking involves, at its heart, a balancing of interests. I will discuss this conclusion in greater detail below. In deciding the specific ratemaking issues presented to it, a regulatory commission is to balance the impact of deciding that ratemaking issue one way or another on the competing interests of ratepayers and investors.

Q. IS THERE A SPECIFIC STATEMENT IN THE TESTIMONY OF COMMONWEALTH EDISON WITNESS O'CONNOR TO WHICH YOU WISH TO RESPOND?

A. Yes. Company witness O'Connor presents a one-sided view of the objective of utility ratemaking in his rebuttal testimony. Mr. O'Connor asserts that "the goal of ratemaking in the public interest is to give utilities a fair opportunity to recover their prudent and reasonable costs of providing the services that our state should receive." (ComEd Ex. 26.0, at 5). He states that "the single overarching point of traditional ratemaking is to arrive at rates that give the utility a fair opportunity to recover its reasonable and prudent costs of service." (ComEd Ex. 26.0, at 5). What Mr. O'Connor fails to mention in his discussion here is any recognition that a utility's interest in having rates that provide it with "a fair opportunity to recover its reasonable and prudent costs of service" must be balanced with ratepayers' interest in paying rates that are least-cost and affordable, given the essential nature of utility service.

Q. HOW DO YOU RESPOND?

A. The notion that utility ratemaking involves a balancing of investor and ratepayer interests is neither new nor revolutionary. Nor is this balancing in conflict with the doctrine that investors should be provided with a "reasonable" opportunity to earn a "fair" rate of return. The balancing of interests is most directly presented in a determination of what constitutes a "fair" rate of return. A fair return on equity is almost universally calculated to fall within a range. Given the ratepayer interests that I discuss in my testimony, the

Commission would be more than justified to set the return on equity toward the bottom of that range. The ratepayer interests do not define the upper and lower bounds of the range; they do help the Commission determine, however, where within the range the final allowed return on equity should be set. That determination, thus, requires a balancing of the competing utility and ratepayer financial interests.

Rate design is another task that involves a balancing of ratepayer and investor interests. Acceptance of a particular revenue requirement does not carry with it the automatic adoptions of a particular rate design through which that revenue will be generated. It is axiomatic that differing rate designs carry within them differing allocations of risk between ratepayers and investors. The decision on whether revenues are collected more through irreducible fixed charges or through volumetric charges carries within it differing allocations of risks to ratepayers and investors. The decision on whether revenues are collected in lower usage blocks or in higher usage blocks carries within it differing allocations of risks to ratepayer and investor interests. It is not only "appropriate," but it is necessary for the Commission to balance the interests of ratepayers and investors in setting a rate design.

Q. CAN THIS BALANCING OF INTERESTS AFFECT DECISIONS ON SPECIFIC REVENUE REQUIREMENT DECISIONS?

A. Absolutely. The balancing of ratepayer and investor interests can (and should) affect both the decision of whether to allow cost recovery and how or when to allow cost recovery. The balancing of ratepayer and investor interests has been made explicit in a variety of revenue requirement settings, such as setting amortization periods for abandoned construction, premature retirement, or mothballed plants, and deciding whether to allow a return of and on particular capital projects. Moreover, the balancing of ratepayer and investor interests has further been made explicit in deciding how to treat utility staff benefits; how and/or when to allow recovery of abnormal out-of-period expenses; how to treat particular revenue streams (e.g., off-system sales, capacity releases); how to treat management bonuses and/or staff incentive payments; and whether and/or how to allow a phase-in of plant additions. It is basic regulatory doctrine that a determination of the "reasonableness" of utility expenditures is not entirely an objective task. Factors that can be considered in that determination include ability to pay, price changes and trends, public burdens, current economic conditions affecting both utilities and ratepayers, and what the traffic will bear.

Q. DOES MR. GUERRA ERR IN ASSERTING THAT THE INTERESTS OF LOW-INCOME CUSTOMERS CAN BE ADDRESSED SOLELY BY ADOPTING A VARIETY OF LOW-INCOME "PROGRAMS"?

A. Yes. Mr. Guerra asserts that "ComEd cares about and helps its low income customers as demonstrated through its implementation of numerous programs to assist customers." He also states that I offer "little criticism of the particular programs" offered by the Company. (ComEd. Ex. 25.0, at 10). I disagree. The nature of low-income programs offered by ComEd does not adequately "balance" the interests of ratepayers and investors. What Mr. Guerra fails to recognize is that low-income programs, by their very nature, reach a fraction of income-eligible customers.

Q. UPON WHAT DO YOU BASE THAT CONCLUSION?

A. Low-income customers can be categorized into four basic bands of income as a percentage of the Federal Poverty Level: (1) customers in "deep poverty" (below 50% of Federal Poverty Level); (2) customers below Poverty Level, but not in "deep poverty" (51 – 100% of Federal Poverty Level); (3) customers above Poverty but below the maximum energy assistance eligibility (100 – 150% of Federal Poverty Level); and (4) customers above the eligibility for energy assistance, but below 200% of Poverty (what I have called the "working poor" or "near poor"). Additional ability-to-pay problems will present themselves for households with income between 200% and 250% of Federal Poverty Level.

The number of customers in each range that I have identified above is substantial. Using Census information for each of the communities ComEd identifies as being within its service territory in its tariff, I find that:

- 5.61% of all ComEd customers have income below 50% of Federal Poverty Level;
- 8.57% of all ComEd customers have income at or below 100% of Federal Poverty Level;
- 15.63% of all ComEd customers have income at or below 150% of Federal Poverty Level; and

- 23.02% of all ComEd customers have income at or below 200% of Federal Poverty Level.[1]

The figures stated above are cumulative. Each succeeding figure includes the range above it as well. For example, the 8.57% of customers at or below 100% of Federal Poverty Level includes the 5.61% with income at or below 50% of Federal Poverty Level.

According to the Company's Form 861 data filed with the Energy Information Administration of the U.S. Department of Energy, Commonwealth Edison had 3,425,593 residential customers in 2009. Given this number of customers, ComEd has:

- More than 192,000 customers with income at or below 50% of Poverty Level;
- More than 293,000 customers with income at or below 100% of Poverty Level;
- More than 535,000 customers with income at or below 150% of Poverty Level;
- Nearly 790,000 customers with income at or below 200% of Poverty Level.

With the income and resource problems facing customers living at these income levels, and given the extent to which these income and resource problems are increasing, it would be in error to assert, as Mr. Guerra has done, that those interests can be protected simply by adopting the low-income programs he references. As I just documented, ComEd has nearly 200,000 customers with income below 50% of Federal Poverty Level, more than one-half million customers with income below 150% of Federal Poverty Level, and nearly 800,000 customers with income less than 200% of Federal Poverty

[1] The Census data does not disaggregate data above 200% of Federal Poverty Level.

Level. The Company does not offer “programs” that are capable of addressing the interests of anywhere near those numbers of customers.

In any event, the question presented by the requirement that the interests of ratepayers and investors be balanced against each other in the process of ratemaking is not whether there are sufficient low-income “programs,” but rather whether the rates proposed by Commonwealth Edison are “just and reasonable.” Determining whether rates are “just and reasonable” requires the Illinois Commission to balance the interests of ratepayers against the interests of investors. That balancing of interests addresses all facets of ratemaking: (1) setting the rate of return; (2) establishing a rate design; (3) determining aspects of revenue requirement. Ratemaking that does not appropriately balance ratepayer and investors interests cannot be made “just and reasonable” by having a utility offer “low-income programs.”

Part 2. The Challenges Facing ComEd Ratepayers.

Q. WHAT IS THE PURPOSE OF THIS SECTION OF YOUR REBUTTAL TESTIMONY?

A. ComEd rebuttal witness Philip O’Connor outlines his perceptions of the “challenges” facing electric utilities and the expectations of investors. Specifically, Mr. O’Connor responds to the question: “What challenges are currently facing electric utilities in Illinois that require realistic ratemaking?” (ComEd Ex. 26.0, at page 7, lines 143-144). He subsequently responds to the question, “What challenges does ComEd face in accomplishing these goals?” He states:

> . . .the most important factor will be whether ComEd –and the investors who must support it—can have confidence that ComEd will have the financial capacity for such an undertaking. That confidence is necessarily dependent on the adequacy of the rates approved by the Commission." (ComEd Ex. 26.0, at pages 8/Line 179 through page 9/Line 187)

The purpose of my Rebuttal Testimony in this Section is to respond to Mr. O'Connor's testimony regarding the "challenges facing electric utilities" along with his statement that "the most important factor will be whether ComEd –and the investors who must support it—can have confidence that ComEd will have the financial capacity for such an undertaking," which confidence is "necessarily dependent on the adequacy of rates approved by the Commission." Mr. O'Connor's testimony here seeks Commission recognition of the alleged challenges facing electric utilities as it sets "realistic" ComEd rates. Likewise, however, the Commission must examine the challenges facing ratepayers if it is to truly balance the competing financial interests of the utility and its customers. If rates are not affordable for ComEd's ratepayers, then in no way can they be called "realistic".

Q. WHAT CHALLENGES ARE CURRENTLY FACING ELECTRIC UTILITY RATEPAYERS IN ILLINOIS THAT REQUIRE "REALISTIC RATEMAKING"?

A. I enumerate each of the challenges that I identify separately below and provide the basis for my conclusion.

A. Challenge #1: Increasing Pressure on Household Budget by Utility Bills.

Q. WHAT IS THE FIRST CHALLENGE FACING ELECTRIC UTILITY RATEPAYERS IN ILLINOIS?

A. The first challenge facing electric utility ratepayers in Illinois involves the increasing pressure that escalating electric bills are placing on overall household budgets. This challenge is a function of the interaction of two factors: (1) incomes; and (2) expenses.

Q. PLEASE EXPLAIN THE BASIS FOR YOUR CONCLUSION.

A. The past two years have presented particular challenges to the Company's poor and working poor populations. Note, for example, that in 2009, average annual expenditures per consumer unit[2] fell relative to the previous year. This was the first time there has been a drop in consumer spending since the U.S. Department of Labor began tracking consumer expenditures in 1984. Data is set forth in Schedule RDC-1. Schedule RDC-1 is set forth in two parts. Page 1 presents data on consumer income, expenditures, and expenditure shares, disaggregated by income quintiles.[3] Page 2 presents the data disaggregated by income dollar ranges.

Several important observations flow from the data on income quintiles. *First, in 2009, personal income and expenditures fell across-the-board relative to 2008.* Households have less to spend on the full range of household needs and desires. *Second, household expenditures exceed household income for the two bottom quintiles.* In 2009, the expenditures for the second quintile exceeded income by more than $4,000. The

[2] A "consumer unit" includes families, single persons living alone or sharing a household but who are financially independent, or two or more persons living together who share expenses.
[3] "Quintiles" means a division of the number of households into five ranges each of which have an equal number of households.

difference is made up with public assistance and debt. *Third, electricity and utility costs are taking an increasingly large share of household expenditures.* By extension, overall shelter costs are taking a higher proportion of total expenditures as well. While persons in the bottom quintile of income devoted 4.1% of their total expenditure to electricity in 2006, that electricity share crept up to 4.4% in 2009. Given that household income is less than overall expenditures with which to begin, to the extent that electricity takes a larger share of expenditures, some other household need must be reduced even further. *Finally, the disproportionate impact that electricity and utility costs have on lower income households is evident.* The bottom three quintiles of households all have electricity (and, by extension, both utility and total shelter costs) that comprise a greater share of total expenditures than the population as a whole. It is important to see, and I will discuss this further below, that the financial difficulties are not simply in the lowest income quintile. They extend through at least the third quintile.

Schedule RDC-1 (page 2) presents the data by income dollar range, not by income quintile. The income deficit (i.e., the amount by which income falls short of expenditures) extends well beyond what many people consider to be “low-income.” Indeed, households with income between $30,000 and $40,000 had an income deficit of $1,208 in 2009 and of $1,070 in 2008. The reduced income and expenditures in 2009 (relative to 2008), and the increasing burdens that electricity and utility bills are placing on households, are evident well into the middle income ranges.

Q. ARE ECONOMIC CHALLENGES LIKELY TO BE LIMITED TO THE LOW-INCOME POPULATION?

A. No. Economic challenges facing ComEd customers are climbing increasingly into the working poor customer base as well. In reaching this conclusion, I consider what is commonly referred to as a Basic Family Needs Budget. A Basic Family Needs Budget sets forth the household expenditures needed to meet a minimum quality of living. The Basic Family Needs Budget includes expenditures on items such as food, shelter, child care, transportation, health care and the like. On the other hand, I consider the self-sufficiency standard for the Chicago area. The self-sufficiency standard documents what income would be needed to meet a minimum quality of living without external assistance. As I indicate below, although prepared by different entities, the Basic Family Needs Budget and the self-sufficiency standard for the Chicago area are nearly the same dollar values.

Q. PLEASE EXPLAIN THE BASIC FAMILY NEEDS BUDGETS THAT YOU HAVE EXAMINED.

A. Schedule RDC-2 sets forth a Basic Family Needs Budget for all seventeen (17) metropolitan areas in Illinois, disaggregated by household composition and size. Both one- and two-parent families are considered, along with families having between one and three children. The data is from the Economic Policy Institute (EPI). The EPI data makes clear that the lack of adequate household resources is not exclusively a "low income" phenomenon. The EPI-derived Basic Family Needs Budget is well *above 200%* of the Federal Poverty Level.[4]

This EPI data is consistent with other data establishing a Basic Family Needs Budget for the Chicago metropolitan area. Schedule RDC-3, for example, sets forth a Basic Family Needs Budget for a three person household (a parent and two children, aged 6 and 9). Three observations are important here. The various Basic Family Needs Budgets are reasonably consistent with each other. While the EPI budget for a 1-parent, 2-child family is $43,778 for Chicago, the National Center for Children in Poverty[5] budget for the same area is $45,328. Their similarity lends credence to the conclusion that they constitute reasonable estimates of what a household needs to live. Second, the Basic Family Needs Budget is not simply above the Federal Poverty Level, it is well above 200% of the Federal Poverty Level. Households can fail to qualify for LIHEAP or other public assistance and still not have sufficient household resources to meet their basic needs. Third, the hourly wage ($22) identified as necessary to meet this Basic Family

[4] According to the U.S. Department of health and Human Services, the Federal Poverty Levels, as published in the Federal Register, are as follows for 2009 for the 48 contiguous states:

Persons in family	**Poverty guideline**
1	$10,830
2	14,570
3	18,310
4	22,050
5	25,790
6	29,530
7	33,270
8	37,010
For families with more than 8 persons, add $3,740 for each additional person.	

[5] The National Center for Children in Poverty (NCCP), Columbia University, is the nation's leading public policy center dedicated to promoting the economic security, health, and well-being of America's low-income families and children.

Needs Budget is well above the hourly wages actually earned by an increasing number of Chicago area workers.[6]

B. Challenge #2: Declining Real Incomes.

Q. WHAT IS THE SECOND CHALLENGE FACING ELECTRIC UTILITY RATEPAYERS IN THE COM ED SERVICE TERRITORY?

A. The second challenge facing electric utility ratepayers in the Com Ed service territory involves the decline in the quality and level of real income for the population as a whole in general. In this section of my testimony, I examine income figures for the general population. By this, I mean that I have looked at data on factors such as median income and income distribution.[7]

Q. PLEASE EXPLAIN THE BASIS FOR YOUR CONCLUSION.

A. At first glance, it might appear that households in general in the six county region which I examined (Cook, DuPage, Kane, Lake, McHenry, Will) have sufficient resources to meet their basic household needs. Schedule RDC-5 presents the 2007 median income for households in each of these six counties. With the exception of Cook County, the median incomes exceed the self-sufficiency standards that have been published for each county.

Q. GIVEN THESE MEDIAN INCOMES, IS THERE CAUSE FOR CONCERN?

A. Yes. The data in Schedule RDC-5 shows that the median income in each county has experienced a significant decline in real terms since 2000. In addition to setting forth the

---

[6] By comparison the current minimum wage in Illinois is $8.25 an hour.

[7] Median income is that income at which point half of all households have higher income and half have lower income.

2007 median income (the most recent year for which I have data on this particular analysis), I have set forth the 2000 median income in 2007 dollars, along with the dollar change in median income between 2000 and 2007. In each of the six counties, median income has decreased, with the $11,005 drop in DuPage County being the biggest decline and the $4,580 drop in Cook County being the smallest decline. This decline in median income likely reflects the long-term change in the jobs market that I will discuss in detail below.

In contrast to Schedule RDC-5, Schedule RDC-6 presents year-by-year data (using rolling two-year averages) of median income taking into account inflation.[8] Schedule RDC-6 shows that the decline in real (i.e., inflation-adjusted) median incomes is not simply a function of the country's recent economic problems, but rather represents a long-term trend.

Q. IS THERE A SECOND CAUSE FOR CONCERN IN THESE MEDIAN INCOME FIGURES?

A. Yes. As with any aggregated data, use of a single point of central tendency (even use of a median rather than a mean) tends to mask the dynamics of the populations comprising the population as a whole. In Schedule RDC-7, I present data on median income disaggregated by family composition. In particular, I look at families with children, broken down by whether the family involves a married couple, a single parent (female), or a single parent (male). Use of the single median income in my Schedule RDC-5 above

[8] An adjustment is needed to allow a comparison of dollar values between time periods. Due to inflation, the purchasing power of the dollar changes over time. In order to compare dollar values from one year to the next, therefore, the dollar values from individual years need to be adjusted for inflation.

does not reveal the significant disparity in income between married couples and single-parent households. Nor does it reveal the significant disparity in income between families with female heads of households and families with male heads of household. As can be seen, the median income of households with female heads of household are a fraction (between 30% and 43%) of the median income as a whole. For a significant portion of the population, median income falls well above Poverty Level but well below the income needed to meet the self-sufficiency standard.

Q. DO YOU HAVE A FINAL CONCERN ABOUT THE USE OF THE MEDIAN INCOME, PARTICULARLY GIVEN THE INCOME DISPARITIES YOU SUBSEQUENTLY HAVE IDENTIFIED?

A. Yes. There is a growing inequality in income between the "top" and the "bottom" when it comes to income. In Illinois, between the 1987-1989 time period and the 2004-2006 time periods, while the income of the bottom quintile of households (by income) grew by 13.1% ($2,128), the income of the top quintile grew by 34.7% ($35,541) in 2005 dollars. Indeed, in that time period, the income of the top 5% of families grew by 56.90% or $84,730. The ratio of the average income for the top quintile ($138,011) to the average income of the bottom quintile ($18,340) was 7.5-to-1, one of the highest disparities in the nation. Even if the median income had remained constant, the economic condition of particular populations in Illinois is declining.

The growth in income disparity does not lie simply between the highest and lowest income families, however. Between 1987-1989 and 2004-2006, while the income of the top quintile grew by $35,541 (34.7%), the income of the middle quintile grew by only $5,926 (12.5%). The ratio of the average income for the top quintile ($138,011) to the average income for the middle quintile ($53,447) was 2.6-to-1. In Illinois, not only are the lowest income households falling further behind, but households in the middle are falling further behind as well.

Q. HOW IS THIS DISPARITY CHANGING, IF AT ALL, OVER TIME?

A. In Illinois, the disparity has been growing over time. In the time period between 1998-2000 and 2004-2006, the average income of the top quintile grew by $12,880 (10.3%), while the average income of the bottom quintile contracted by $1,588 (-8.0%). The average income of the middle quintile contracted by $1,629 (-3.0%). I have set forth the average incomes by quintile over time in Schedule RDC-8.

C. Challenge #3: Declining Incomes for Working Households.

Q. WHAT IS THE THIRD CHALLENGE FACING ELECTRIC UTILITY RATEPAYERS IN THE COM ED SERVICE TERRITORY?

A. The third challenge facing electric utility ratepayers in the Com Ed service territory involves the decline in the quality and level of income for the working population in particular. In this section of my testimony, rather than looking at income for the population as a whole in the Chicago area, I focus on the income of Chicago-area workers. I find that there is a substantial working poor population in Chicago and that there is a trend toward lower paying, lower quality jobs. I conclude that there is a substantial, and growing working population in Chicago that cannot afford their basic household necessities, let alone an increase in electric rates that is designed to shift considerable economic risk from ComEd investors to ComEd customers.

Q. PLEASE EXPLAIN THE BASIS FOR YOUR CONCLUSION.

A. In assessing the status of the working poor in the Chicago area, I find that working incomes frequently provide insufficient household resources to allow a ComEd customer to live at a self-sufficiency standard.

Q. WHAT DOES THIS NOTION OF "SELF-SUFFICIENCY" MEAN TO THE WORKING POOR IN AND AROUND COOK COUNTY?

A. It is possible to translate the notion of "self-sufficiency" –the "self-sufficiency standard" defines what income is needed to meet a minimum quality of living without external assistance-- into what is referred to as a "self-sufficiency wage." The "self-sufficiency wage" is the hourly wage needed for a household to be self-sufficient in Illinois.

A self-sufficiency standard is calculated on a county-by-county basis for the entire state of Illinois. The self-sufficiency standard is also separately calculated for three regions of Chicago (North, West and South Sides), as well as three regions of Suburban Cook County (North, West and South Suburban Cook). My discussion below will consider three areas: (1) Chicago (North, South and West Sides); (2) Suburban Cook County (North, South, West); and (3) non-Cook County "collar" counties (DuPage, Kane, Kendall, Lake, McHenry, Will).[9] The data I rely upon largely, but not exclusively has

[9] Kendall County is not universally considered to be a collar county. Kendall County data will be presented where available.

been published by the Social Impact Research Center, a program of the Heartland Alliance. The Heartland Alliance is a well-respected Illinois research organization providing periodic data-based analysis of the circumstances facing low-income and working populations throughout Illinois.

Q. PLEASE PROVIDE AN OVERVIEW OF THE SELF-SUFFICIENCY FINDINGS FOR CHICAGO, SUBURBAN COOK COUNTY, AND THE IMMEDIATELY CONTIGUOUS "COLLAR" COUNTIES.

A. Yes. Schedule RDC-4 sets forth the "self-sufficiency wage" for a family of three, with a parent, a preschool-age child and a school-age child. The self-sufficiency wage ranges from a low of $23.97 (West Side) to a high of $29.31 (DuPage County). Of the twelve geographic areas, eight had self-sufficiency wages of more than $25 per hour. In every case, the self-sufficiency wage was based on a no-frills family budget. The budget does not account for savings, the monthly cost of debt, or any emergency that would draw on financial resources.

- ***Suburban Cook County*** has some of the highest self-sufficiency standards in the state, meaning that it is one of the most expensive areas in the state to live. Of the 108 geographic areas for which a self-sufficiency standard is calculated, only eight have a higher standard than West Suburban Cook County and only seven have a higher standard than South Suburban Cook County; only two geographic areas have a higher self-sufficiency standard than North Suburban Cook County. Housing, including energy, is one of the factors driving these high standards. In North Suburban Cook County, a family would pay 26% of income for housing (with the one-parent/two-child family composition I am discussing). Households do not have considerable discretion in their spending in suburban Cook County. Only eight percent (8%) of the self-sufficiency budget goes to "miscellaneous" expenses, such as housekeeping, clothing, telephone service, recreation, savings and debt repayment.

- In the ***City of Chicago***, it is not significantly less expensive to live in the City than it is to live in Suburban Cook County. Households would devote between 21% (South Side, West Side) and 25% (North Side) of their income for housing at the self-sufficiency standard. Only five geographic areas in the state have a self-sufficiency standard higher than the North Side, while only ten and eleven have a standard higher than the West Side and South Side respectively. Again, there are 108 geographic areas in Illinois for which a self-sufficiency standard is calculated.

- The ***Collar Counties*** surrounding Cook County, have high self-sufficiency wages, just as their Cook County (and Chicago) counterparts do. Kendall County is the lowest, with nine of the 108 Illinois geographic areas for which a self-sufficiency wage is calculated having a wage higher than it has. DuPage County has no geographic area with a higher wage (i.e., it is the most expensive area in Illinois), while Lake County has only DuPage County higher. Kane County has only three geographic areas with a higher self-sufficiency wage. Again, the higher the self-sufficiency wage or standard, the more money is needed to meet a minimum quality of living without external assistance. When I refer to the "contiguous" counties, I am referring to those counties that the Heartland Alliance has indicated are part of the Chicago metropolitan area other than Cook County (DuPage, Kane, Kendall, Lake, McHenry and Will Counties).

Overall, as can be seen in Schedule RDC-4, the geographic areas that make up the ComEd service territory have the highest self-sufficiency standards in the state of Illinois. All eleven areas fall within the list of the eleven geographic areas with the highest self-sufficiency standard. Remember, the "self-sufficiency standard" does not represent the income at which households are actually living. Instead, the self-sufficiency standard identifies the level of expenditures needed to maintain a minimum level of living without assistance. It is important to understand two things about the self-sufficiency standard. First, someone who has an income that is equal to the self-sufficiency standard is not living a "comfortable" life. This person has no savings. This person spends nothing on recreation. This person spends a minimum amount on clothing or housekeeping items. This person does not make capital repairs to his/her housing or transportation. This person carries no debt (and thus buys nothing on credit). Second, the self-sufficiency standard is *significantly* greater than the Federal Poverty Level. While the Poverty Level for the three-person household I discuss above is somewhat more than $18,000 a year, the self-sufficiency standard tends to fall in a range of between $55,000 and $60,000 a year. Someone can have income well above the Federal Poverty Level and, nonetheless, still have inadequate income to be self-sufficient.

Q. HOW DO CHICAGO AREA WAGES COMPARE TO THE SELF-SUFFICIENCY STANDARD?

A. In Schedule RDC-9, after restating the self-sufficiency standard for Cook County and its contiguous counties, I present the "average wage per job" published annually by the Bureau of Economic Analysis of the U.S. Department of Commerce. The most recent wage data has been published through 2008; 2009 data is not yet available. As can be seen in Schedule RDC-9, the average job in the Chicago area does not provide a living wage. The only situation where the average wage per job was equal to or above the self-sufficiency standard was in the comparison of overall Cook County wages as a whole to the self-sufficiency standard for the various geographic areas in the City of Chicago. Moreover, the wages set forth in Schedule RDC-9 are reported in nominal dollars. If adjusted for inflation, it would become apparent that Chicago area workers are losing ground to inflation. According to the most recent *State of Working Illinois*, "earningsgains from 2001 to 2008 offset the erosive effect of inflation in only four sectors, and even then by relatively modest amounts."[10] Measured in "real dollars," the only sectors with increased real earnings between 2001 and 2008 were construction, financial activities, professional and business services, and education and health services.

[10] State of Working Illinois: 2008, at 11, Center for Tax and Budget Accountability (Chicago), Center for Governmental Studies (Northern Illinois State University) and Office for Social Policy Research (Northern Illinois State University). The report concluded that "when the wage gains expressed in nominal dollars are adjusted for the impact of the inflation that occurred during the interval, workers in most sectors in Illinois experienced declines in their real average weekly earnings." Id.

As I discuss below, however, these are specifically the sectors where substantial job loss is occurring.

Q. ARE SOME CHICAGO AREA WORKERS IN WORSE SHAPE THAN OTHERS WHEN COMPARING THEIR WAGES TO THE SELF-SUFFICIENCY STANDARD?

A. Yes. In Schedule RDC-10, I compare the self-sufficiency standard, expressed as an hourly wage, to the average renter wage in the Chicago area. In no part of the Chicago area is the average hourly wage received by a renter household sufficient to cover the expenditures included in the Chicago area self-sufficiency standard. Given the significant penetration of renter households in Cook County and its contiguous counties, the inability of area renters to generate a living wage evidences a substantial population of working households in the Chicago area that simply cannot afford to pay an increase in ComEd rates designed to cushion the economic risks borne by the Company's investors.

Q. IS THERE ANY OTHER INDICATOR OF THE EXTENT TO WHICH CHICAGO AREA WORKERS MAY HAVE INSUFFICIENT EARNINGS TO MEET THE SELF-SUFFICIENCY STANDARD?

A. Yes. Schedule RDC-11 (page 1) sets forth the annual earnings of Chicago area workers by the level of their educational attainment. The data considers earnings broken down by whether the worker has less than a high school diploma, a high school diploma, some college (or an associate's degree), a Bachelor's degree, or a post-graduate/professional degree. In all six Chicago area counties for which data is reported, workers with less than a Bachelor's degree will not earn sufficient wages to meet their respective county's self-sufficiency standard. As documented in RDC-11, wages increase as educational attainment increases. Workers with education as high as some college (or an associate's degree), however, earn roughly $40,000 annually in all six jurisdictions. This is well below the self-sufficiency standard in those areas. In Schedule RDC-11 (page 2), I present the data by county on the level of educational attainment in the Chicago area. As can be seen, there is a structural economic problem in the Chicago area. The wage levels of workers with lower educational attainment are insufficient to provide self-sufficiency. The penetration of workers with such educational attainment levels, however, is considerable. The extent that workers with less than a college degree have low wages is not an insignificant problem.

**Q.	ARE YOU AWARE OF ANY LONG-TERM TREND IN JOBS AND WAGES IN ILLINOIS AND CHICAGO THAT HELPS TO EXPLAIN THE DECLINING POSITION OF THE WORKING HOUSEHOLD?**

A.	Yes. The most significant trend in employment in Illinois in the past twenty years has been the replacement of good paying jobs, mainly in the manufacturing sector, by lower-paying jobs, primarily in the service sector. While manufacturing was the largest employer in Illinois in 1990 (providing somewhat more than 20% of the state's workers), by 2008, the low wage service sector was the largest employer (employing more than 30% of all Illinois workers). Schedule RDC-12 presents the number of Illinois workers disaggregated by their wage range. More than 20% of all workers fall within the "very low" or "low" wage range. More than 50% of all workers fall in one of the three "low wage" categories. Just as importantly to note, however, a worker would need to approach a wage toward the top of the "medium high wage" range in order to earn sufficient wages to meet the Chicago area self-sufficiency standards. While the data in Schedule RDC-12 is for the State of Illinois as a whole, it is applicable to the Chicago area as well. The Chicago area has driven, not been exempted from, the loss of high wage manufacturing jobs to be replaced by lower wage service jobs.

According to the most recent *State of Working Illinois* report (2008), Illinois lost 249,000 manufacturing jobs between 1990 and 2008. It lost an additional 8,600 jobs in the higher paying construction sector. It registered a net loss of 5,100 jobs in the higher-wage service sectors (information services, financial activities, and professional and business services). At the same time, the State gained 168,500 jobs in the lower wage service sectors. Not only do these new jobs pay lower wages, they provide fewer benefits, thus further eroding the ability of workers to meet the self-sufficiency standard.

D. Challenge #4: Substantial and Expanding Poverty Incomes.

Q. WHAT IS THE FOURTH CHALLENGE FACING ELECTRIC UTILITY RATEPAYERS IN THE COM ED SERVICE TERRITORY?

A. The fourth challenge facing electric utility ratepayers in the Com Ed service territory involves the level and prevalence of poverty. In this section of my testimony, I examine income for the poor. In this respect, I define "poor" to be households with income at or below the Poverty Level.[11] In addition, consistent with general practice, I define

[11] For purposes of one discussion below, I use the terms "poor" and "low-income" as defined terms-of-art. Otherwise, I intend the terms "poor" and "low-income" to be interchangeable.

"extreme poverty" (or "deep poverty") to include households with income at or below 50% of the Federal Poverty Level. I conclude that there is a significant population of ComEd customers who, because of their poverty, cannot afford to pay increasing electric bills. I conclude further that this poverty-level population is increasing in the ComEd service territory.

Q. PLEASE EXPLAIN THE BASIS FOR YOUR CONCLUSION.

A. The Heartland Alliance's most recent annual *Report on Chicago Regional Poverty*[12] reports 2007 data on three levels of poverty: (1) "poverty" (below 100% of the Federal Poverty Level); (2) "extreme poverty" (below 50% of the Federal Poverty Level, also sometimes referred to as "deep poverty"); and (3) "low-income" (between 100% and 199% of the Federal Poverty Level). Schedule RDC-13 presents the penetration of each level of poverty for Cook County and the contiguous counties (DuPage, Kane, Lake, McHenry, Will). Cook County is disaggregated into Chicago and suburban Cook County. Two observations stand out from this poverty-level data for the Chicago area. First, the penetration of "poverty" and "extreme poverty" in the Chicago area is stunning. Nearly 940,000 people live with income at or below the Federal Poverty Level, with more than half of those (520,000) living in "extreme poverty." Second, looking exclusively at persons with income at or below 100% of the Federal Poverty Level would substantially understate the number of customers at risk in the ComEd service territory. An *additional* 1.3 million Chicago area residents live with income above 100% but below 200% of the Federal Poverty Level. These households are frequently at the most risk. They earn insufficient money to meet their basic household needs, but they earn too

[12] This report is a corollary to the annual report on Illinois poverty.

much money to qualify for public financial support. Moreover, these households are the most likely to be adversely affected by downturns in the economy as a whole, either through lost jobs, reduction in hours, or declining real wages.

Q. IS THE POVERTY RATE INCREASING OR DECREASING IN THE CHICAGO AREA?

A. The Poverty Rate in the Chicago area is increasing. From 2008 to 2009, the poverty rate in the six county Chicago area increased from 11.8% to 12.6%. The number of people in poverty in the six county area rose from 983,744 in 2008 to 1,051,937 in 2009. In addition, both of these figures are significantly above the 1999 poverty rates. The 2009 poverty rate was substantially above the 10.6% rate in 1999. The number of people in poverty was substantially above the 841,175 in 1999.[13]

The same observation holds true for the rate and number of people in "extreme poverty" (i.e., below 50% of Federal Poverty Level). The rate of "extreme poverty" in the six county area significantly increased from 5.2% in 2008 to 5.8% in 2009. The number of people in "extreme poverty" increased from 429,428 in 2008 to 483,074 in 2009.

Finally, the same observation holds true for the rate and number of people in "low-income" (100 – 199% of Federal Poverty Level). The rate of "low-income" significantly increased in the six county area from 15.2% in 2008 to 16.6% in 2009. The number of

[13] Social Impact Research Center, Heartland Alliance (September 28, 2010). Six County Chicago Area: Snapshot of Poverty, Income, and Health Insurance Coverage, 2009 data from the U.S. Census Bureau's American Community Survey.

people in “low income” significantly increased from 1,267,381 in 2008 to 1,376,940 in 2009.

Q. HOW DO YOU KNOW THAT HOUSEHOLDS AT THESE THREE LEVELS OF POVERTY ARE LIVING WITH ECONOMIC DEPRIVATION?

A. The 2009 Poverty Level by household size was as follows:

- $10,830 for a household with one person;
- $14,570 for a household with two persons;
- $18,310 for a household with three persons; and
- $22,050 for a household with four persons.

As is evident, even if one were living with income equal to 200% of the 2009 Federal Poverty Level, that income would be substantially below the self-sufficiency standard for each of the Chicago area counties.

Q. WON’T LIHEAP ADDRESS THESE INCOME PROBLEMS THAT YOU HAVE IDENTIFIED FOR PURPOSES OF ENERGY AFFORDABILITY?

A. No. Four reasons exist why the federal Low-Income Home Energy Assistance Program (LIHEAP) cannot be relied upon to address these problems. First, LIHEAP has insufficient funding to meet the need. Even within the income-eligible population, LIHEAP serves a fraction of those households that are eligible and meets only a portion of the need for each of the households it serves. Second, LIHEAP is primarily a program to provide space heating and space cooling benefits. LIHEAP is not designed to provide benefits for base load electric usage. Third, LIHEAP is a seasonal program. Consistent with its role as a heating and cooling program, LIHEAP is not designed to provide year-round benefits. Finally, LIHEAP has limited income eligibility. While under federal law, LIHEAP eligibility can extend to households with incomes up to 60% of the state median income, the Illinois LIHEAP program has not chosen to allow eligibility to go that high. That decision is largely driven by the adequacy of resources. LIHEAP is a federal "block grant" program. Illinois receives a designated share of federal LIHEAP funding. Increasing the number of LIHEAP participants would not expand LIHEAP funding. All else equal, if the number of participants increases, the average LIHEAP benefit must decrease.

E. Challenge #5: The Manifestation of Inability-to-Pay.

Q. WHAT IS THE FINAL CHALLENGE YOU WISH TO DISCUSS FACING ELECTRIC UTILITY RATEPAYERS IN THE COM ED SERVICE TERRITORY?

A. The final challenge facing electric utility ratepayers in the Com Ed service territory that I will discuss in this Rebuttal Testimony involves how ComEd seeks to transfer risks from the Company's investors to the Company's ratepayers. From the customer's perspective, these "risks" include not only the risks that bills will increase, with the increases being unavoidable due to the Company's rate design and "alternative regulation" automatic adjustment clause proposals, but also the risks that the customer will be unable to pay the bill, thus experiencing the credit and collection activities the Company exercises in light of nonpayment. Those credit and collection activities impose additional costs on the customer, including not only the potential loss of essential utility service, but direct out-of-pocket expenses as well in the form of additional fees, lost wages, additional household expenses, and the like. To assess those risks, it is possible to examine the relative extent of payment troubles within certain sectors of the low-income population.

Q. PLEASE EXPLAIN THE BASIS FOR YOUR CONCLUSION.

A. In reaching my conclusion, I use the Company's LIHEAP population as a surrogate for the low-income population. I compare certain payment metrics for the LIHEAP population to those same metrics for the residential customers as a whole. LIHEAP customers who get behind on their bills are much more likely to proceed all the way to the disconnection of service for nonpayment. Schedule RDC-14 presents the number of disconnect notices and the number of disconnections by year for both the LIHEAP and general residential populations for 2009 and for 2010 (YTD). In 2009, while ComEd issued 13.1 notices for every actual residential disconnection, it issued only 4.0 notices for every disconnection of a LIHEAP customer. In 2010, while ComEd issued 14.4 notices for every actual disconnection, it issued only 5.2 notices per disconnection to a LIHEAP recipient. Once a LIHEAP recipient gets behind to the point of entering the disconnect cycle, that customer is nearly three times as likely to proceed to the actual disconnection of service as measured by this metric.

Q. HAVE YOU COMPARED THE EXTENT TO WHICH LIHEAP AND RESIDENTIAL CUSTOMERS PAY THEIR BILLS?

A. No. In response to discovery from the AG, ComEd provided information on the dollars of billing and the dollars of revenue actually collected from LIHEAP recipients on a month by month basis. (AG 8.02(f) – (h)). The Company, however, declined to provide such information for residential customers as a whole, arguing that the amount of billed dollars, and the amount of revenue actually collected from residential customers, would be burdensome to produce. (AG 8.02(d) – (e)).

Nonetheless, there is some concern presented by the LIHEAP data provided by the Company. The data is set forth in Schedule RDC-15. According to this data, while the Company collected revenue equal to 114% of its total monthly billing for the twelve months ending September 2009, it collected only 100% of its monthly billing for the corresponding period ending September 2010.[14] Collecting more than 100% of the billing indicates that customers are not only paying their bills, but are also retiring their arrears. A payment coverage ratio of 100% indicates that customers are covering their current bills, but making no progress on their arrears. A payment coverage ratio of less than 100% indicates that customers are not covering their current bills. If all LIHEAP recipients were current on their bills, a payment coverage ratio of 100% would be good news. We know, however, that not to be true. A substantial number of LIHEAP recipients are in arrears. One 1998 Illinois report, for example, indicated that while 44.5% of LIHEAP-assisted natural gas customers were in arrears, only 28.9% of "general households" were.[15] Data generated at the national level, as well as in other states in close proximity to Illinois (Iowa, Indiana), confirm that these levels of LIHEAP customers in arrears continues through today.

[14] In fact, the Company could provide data only through June 2010, so this 2010 figure is YTD June.
[15] Department of Energy and Community Affairs, *Residential Energy Costs and Assistance in Illinois: The 1997 – 98 Winter*, at 6, Springfield (IL).

In looking at seasonal collections, ComEd is experiencing a decline in its LIHEAP payment performance as well. While the Company collected 98% of its billed revenue for the five months ending April 2009, it had collected only 90% of its billed revenue for the five months ending April 2010. In 2010, in other words, the Company's LIHEAP customers were emerging from the winter months having paid less of their seasonal bills than they had paid in the past. In response to discovery from the Attorney General's Office, the Company declined to produce aged arrears for LIHEAP customers, arguing that the production of arrearage information for LIHEAP recipients would involve too much effort.

Q. IS THERE ANY OTHER ASPECT OF THE LIHEAP DATA THAT PROVIDES INSIGHTS INTO THE ABILITY OF LIHEAP RECIPIENTS TO PAY THEIR COMMONWEALTH EDISON BILLS?

A. Yes. ComEd is increasingly relying on low-income customer self-payments rather than on LIHEAP payments to retire customer bills. In the 2008 program year, the Company received $113,463,152 in payments toward LIHEAP accounts, of which $36,226,953 was received from LIHEAP (32% of the total). By the 2010 program year, the Company received $201,488,117 in payments from its LIHEAP customers, of which $52,328,980 was from LIHEAP (26%). One reason for this decline was because the average LIHEAP benefit remained constant ($166 in 2008; $169 in 2010), while Com Edison bills escalated. Given the income and expense data that I discuss in detail above, this increasing reliance on a source of payment (household income) that is becoming increasingly strained is likely to produce adverse payment outcomes for both the Company and its low-income customers.

Q. DOES MR. O'CONNOR RECOGNIZE THE IMPLICATIONS OF THE CHALLENGES FACING RATEPAYERS IN HIS DISCUSSION OF THE BASIC RATEMAKING DECISIONS INVOLVING RATE OF RETURN, RATE DESIGN AND REVENUE REQUIREMENT?

A. No. Mr. O'Connor is asked, "What challenges does ComEd face in accomplishing these goals?" He notes what he calls the "dual challenges" of a growing need to replace or rebuild delivery assets that were installed decades ago and the need to transform its delivery system with smart technology. He asserts that "the most important factor will be whether ComEd -- and the investors who must support it -- can have confidence that ComEd will have the financial capacity for such an undertaking." (ComEd Ex. 26.0, at 8 – 9).

The O'Connor testimony, however, ignores the fact that an additional "important factor" will be whether ComEd's ***ratepayers*** have the "financial capacity for such an undertaking." The data I discuss above places in question the ability of a sizable portion of ComEd's customer basis to pay their utility bills along with other household requirements. The risk that they might ***not*** be able to do so places the customer in the position where unacceptable trade-offs must be made in meeting household necessities. This risk affects not just those customers that have poverty-level incomes, but customers with incomes stretching substantially into the population of working middle income customers. Responding to these ratepayer interests involves appropriately balancing the interests of ratepayers and investors in making fundamental decisions regarding rate of return, rate design and revenue requirement.

Q. CAN YOU ILLUSTRATE HOW RATEPAYERS MIGHT MANIFEST THE FACT THAT THEY DO NOT HAVE, IN MR. O'CONNOR'S OWN WORDS, "THE FINANCIAL CAPACITY FOR SUCH AN UNDERTAKING"?

A. Yes. Let me briefly note two examples. I choose the two examples below as they are particularly applicable to the working poor and near poor.

- **Housing:** Working Chicago area residents are facing significant challenges with retaining basic housing today. While many people focus on foreclosure filings (representing new foreclosure cases), a foreclosure *auction* represents the completion of the foreclosure process. As the Woodstock Institute states, "the auction represents the ultimate completion of the foreclosure process and the transfer of the property to a new owner, either the plaintiff or a third party purchaser." Schedule RDC-16 presents the percentage of foreclosure filings going to auction for the years 2005 through 2009. As the data shows, the number of foreclosure auctions continues to escalate at a rapid pace in the Chicago area. From just 2007 to 2010 (through the Third Quarter), foreclosure auctions increased by more than 150% in Chicago, by 170% in Cook County, and by between roughly 200% and 230% in the collar counties. The increase from 2005 to 2010 was even greater.

- **Nutrition:** The fact that high home energy bills contribute to hunger and poor nutrition has been documented. One November 2006 article published in *Pediatrics*, the journal of the American Academy of Pediatrics, reports that "convergent evidence suggests that the periodic stress of home heating and cooling costs may adversely impact the health and nutritional status of children and other vulnerable populations."[16] The article reported that "there is also evidence that hunger and food insecurity are associated with high utility costs and cold weather. In the United States, data show that families reporting unheated days or threats of utility turnoff are more likely to report that their children were hungry or at risk for hunger than families without either experience."

  The primary way to measure the inability to purchase sufficient nutrition for a household is by looking at participation rates in the federal Food Stamp program

[16] Frank, D., Neault, N., Skalicky, A., Cook, J., Wilson, J., Levenson, S., Meyers, A., Heeren, T., Cutts, D., Casey, P., Black, M., and Berkowitz, C. (2006). Heat or Eat: Low Income Home Energy Assistance Program and Nutritional Risk Among Children Under 3 Years Old. *Pediatrics*.

(now known as the Supplemental Nutrition Assistance Program, SNAP). Schedule RDC-17 sets forth such Food Stamp participation rates for the Chicago area. Not surprisingly, Cook County has the highest Food Stamp participation rate in the six county region (15%). The more important observation, however, is that, setting aside Cook County, the participation rate in the Food Stamp program has increased between 40% and nearly 70% between 2007 and 2009. A significantly increasing number of Chicago area residents are finding it difficult to pay for basic nutrition.

Q. WHAT IS YOUR CONCLUSION BASED ON DATA AND ANALYSIS YOU PRESENT ABOVE?

A. My conclusion is two-fold.

- First, when ComEd witness Philip O'Connor answers the question "What challenges are currently facing electric utilities in Illinois that require realistic ratemaking" (ComEd Ex. 26.0, at page 7), the basis for making decisions about ComEd's rate request is substantively incomplete unless the Commission <u>*also*</u> hears the answer to the corresponding question: "what challenges are currently facing electric utility ratepayers in Illinois that require realistic ratemaking." In addition to considering the "challenges currently facing electric utilities in Illinois," the Commission should consider the "challenges facing electric utility ratepayers in Illinois" as I articulate above.
- Second, Mr. O'Connor is incorrect when he asserts in his Rebuttal Testimony that "the most important factor will be whether ComEd –and the investors who must support it—can have confidence that ComEd will have the financial capacity for such an undertaking. That confidence is necessarily dependent on the adequacy of the rates approved by the Commission." (ComEd Ex. 26.0, at pages 8 – 9).

The ratemaking issues presented in this proceeding involve the need to balance investor and ratepayer interests. Just as important as the interests of the "investors who must support [ComEd]" are the interests of the ratepayers who are called upon to pay the rates approved by the Commission. Those interests are necessarily dependent on the capacity of the ratepayers to absorb the rate increases sought by the Company.

We know unequivocally from the data above that the financial hardships facing Chicago area residents, and thus ComEd customers, is a hardship that is a function not only of poverty level income, but is a function of a large and increasing economic crisis facing working households. We know that families ("consumer units" in the technical parlance) have responded to the current economic crisis by reducing household spending for the first time since the U.S. Department of Labor began to track consumer expenditures. We know that people are struggling to pay their ComEd electric bills. We know that Chicago area residents –not merely residents with poverty level incomes, but Chicago area working households—are losing their homes and having problems acquiring sufficient nutrition.

It is the responsibility of the Commission to consider these ratepayer interests in deciding what promotes the public interest when it weighs the interests of the stakeholders and customers in reviewing ComEd's specific rate proposals.

Part 3. The Funding of Low-Income Programs.

Q. WHICH OF THE COMPANY'S COMMENTS REGARDING THE COM ED PROPOSAL TO FUND A $10 MILLION "LOW-INCOME" PROGRAM AS PART OF ITS ALTERNATIVE REGULATION PROPOSAL DO YOU WISH TO ADDRESS?

A. Mr. O'Connor responds by seeking to label my recommendation as "simplistic redistributionist policies" and contrasts that to how he labels the ComEd plan as an "innovative proposal." (ComEd Ex. 26.0, at 17). According to Mr. O'Connor, "the limited ability of low income customers to pay for the necessities of life is a result of their limited funds, which is a societal problem, not one that utilities are responsible or equipped to solve." (ComEd. Ex. 26.0, at 16).

Q. DID YOUR DIRECT TESTIMONY RECOMMEND THAT COM ED OR EXELON FUND THE LOW-INCOME PROGRAM?

A. My Direct Testimony contained two recommendations. The first recommendation was quite clear. My recommendation was: "I urge the Commission to reject the Company's proposal to have it ratepayers pay for $10 million in low income program costs that were previously funded by the Company's parent Company, Exelon." (AG Ex. 2.0, at 36 – 37). I stated further that "ComEd's proposal to add $10 million in costs to delivery service rates through its 'alternative regulation' proposal should be rejected." (*Id.* at 40). Instead, ComEd should solicit its parent company, Exelon, to continue funding these programs. Remember, this recommendation is to continue the status quo; Exelon funding of the low-income programs does not involve new costs to Exelon. Rather, ComEd is seeking to transfer costs that have been borne by Exelon to distribution ratepayers. Thus, my recommendation is to continue the status quo, not to change it, as ComEd suggests.

Q. IS THERE A "REGULATORY FRAMEWORK" THAT WOULD SUPPORT A PROPOSAL FOR EXELON TO CONTINUE FUNDING THIS $10 MILLION PROGRAM?

A. Yes. Contrary to Mr. O'Connor's summary dismissal of the notion that Exelon would be justified in continuing to fund the low-income programs, ample regulatory doctrine would support such Exelon funding. Remember, however, that I made several observations about the $10 million expenditures. First, the expenditure will generate cost reductions that redound to the benefit of the Company (ComEd) and its investors, not to ratepayers. Second, the expenditure will generate benefits, both direct and indirect, that will redound to the benefit of the Company and its investors. Third, the economic development impacts of these expenditures redound to the benefit of the Company and its investors, not to ratepayers.

Given the benefits that are delivered back to both ComEd and to Exelon, it would be appropriate for Exelon to make these expenditures to prevent Exelon from being a free-rider on the various programs funded by other stakeholders. The notion of preventing free-ridership is a common principle applied in utility regulation. With ComEd, the ratepayers make their contribution toward funding low income assistance programs through an additional charge collected through the Company's customer charge, pursuant to Section 8-105 of the Public Utilities Act. Customer rates also already include recovery for the Company of their reasonable charitable contributions, as permitted under Section 9-227 of the Public Utilities Act.

The community as taxpayers make their contribution through programs such as fuel assistance (LIHEAP), weatherization (WAP), the Housing and Urban Development (HUD) "utility allowance" program, the Food Stamp "standard utility allowance" (SUA) program, the FEMA emergency grant program, the Emergency Shelter Grant (ESG) program of HUD, and a variety of other initiatives. The business benefits from each of these ratepayer and taxpayer funded programs are pocketed by ComEd and Exelon investors. It is not unreasonable to ask ComEd to solicit its parent company for its own contribution to these rate affordability initiatives.

Finally, universal service for electricity is a public good. As recognized by the National Regulatory Research Institute (NRRI):

> A public good can be defined as "any publicly induced or provided collective good" that "arise[s] whenever some segment of the public collectively wants and is prepared to pay for a different bundle of goods and services than the unhampered market will produce." (note omitted).[17]

Given the "public goods" nature of universal service, and given the contributions that are already being made by ratepayers, taxpayers and the community, it would not be unreasonable for ComEd to solicit its parent company in the way I suggest is possible. It is entirely possible that Exelon might seek to be a free-rider, pocketing the benefits of the investments by others in universal service without making its own contribution. That would be a choice of the company. My recommendation, however, is for the

[17] National Regulatory Research Institute (October 1991). The Public Good/Private Good Framework for Identifying POTS Objectives for the Public Switched Network, NRRI: Columbus (OH).

Commission to reject the low-income program funding proposal advanced as part of the alternative regulation plan. ComEd should solicit Exelon to continue funding those programs, as it has in the past, rather than transferring those costs to delivery ratepayers.

Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

A. Yes, it does.

Income, Expenditures and Expenditure Shares (percent of total expenditures) by Income Quintile

2009	All consumer units	Lowest 20 percent	Second 20 percent	Third 20 percent	Fourth 20 percent	Highest 20 percent
Income	$62,857	$9,846	$27,227	$46,012	$73,417	$157,631
Expenditures	$49,067	$21,611	$31,382	$41,150	$56,879	$94,244
Difference	$13,790	-$11,765	-$4,155	$4,862	$16,538	$63,387
Shelter	20.5	25.0	21.7	21.4	19.6	19.3
Utility	7.4	10.4	9.8	8.7	7.3	5.5
Electricity	2.8	4.4	3.9	3.3	2.7	1.9

2008	All consumer units	Lowest 20 percent	Second 20 percent	Third 20 percent	Fourth 20 percent	Highest 20 percent
Income	$63,563	$10,263	$27,442	$47,196	$74,090	$158,652
Expenditures	$50,486	$22,304	$31,751	$42,659	$58,632	$97,003
Difference	$13,077	-$12,041	-$4,309	$4,537	$15,458	$61,649
Shelter	20.2	23.7	21.2	20.5	19.3	19.4
Utility	7.2	10.0	9.5	8.4	7.2	5.3
Electricity	2.7	4.1	3.7	3.1	2.6	1.9

2007	All consumer units	Lowest 20 percent	Second 20 percent	Third 20 percent	Fourth 20 percent	Highest 20 percent
Income	$63,091	$10,531	$27,674	$46,213	$72,460	$158,388
Expenditures	$49,638	$20,471	$31,150	$42,447	$57,285	$96,752
Difference	$13,453	-$9,940	-$3,476	$3,766	$15,175	$61,636
Shelter	20.2	24.2	21.5	19.9	19.5	19.5
Utility	7.0	10.2	9.1	7.9	7.0	5.3
Electricity	2.6	4.1	3.5	3.0	2.5	1.9

2006	All consumer units	Lowest 20 percent	Second 20 percent	Third 20 percent	Fourth 20 percent	Highest 20 percent
Income	$60,533	$9,974	$26,657	$44,933	$70,975	$149,963
Expenditures	$48,398	$20,410	$30,224	$41,431	$55,697	$94,150
Difference	$12,135	-$10,436	-$3,567	$3,502	$15,278	$55,813
Shelter	20.0	23.5	21.2	20.0	19.5	19.1
Utility	7.0	10.2	9.2	8.0	7.0	5.2
Electricity	2.6	4.1	3.6	3.0	2.5	1.9

SOURCE: Bureau of Labor Statistics, Consumer Expenditures Survey (annual).

Income, Expenditures and Expenditure Shares (as percent of total expenditures) by Dollar Income Range

2009	All consumer Units	Less than $5,000	$5,000 to $9,999	$10,000 to $14,999	$15,000 to 19,999	$20,000 to $29,999	$30,000 to $39,999	$40,000 to $49,999	$50,000 to $69,999	$70,000 and more
Income	$62,857	-$2,587	$8,015	$12,598	$17,527	$24,888	$34,721	$44,733	$59,009	$129,528
Expenditures	$49,067	$22,731	$18,032	$21,741	$23,706	$29,397	$35,929	$39,553	$48,900	$82,060
Difference	$13,790	-$25,318	-$10,017	-$9,143	-$6,179	-$4,509	-$1,208	$5,180	$10,109	$47,468
Shelter	20.5	24.9	26.2	25.1	24.1	22.4	21.1	21.4	20.4	19.4
Utility	7.4	8.5	11.1	10.4	11.2	10.3	9.2	8.9	8.0	5.9
Electricity	2.8	3.6	4.7	4.4	4.7	4.1	3.6	3.4	3.0	2.1

2008	All consumer Units	Less than $5,000	$5,000 to $9,999	$10,000 to $14,999	$15,000 to 19,999	$20,000 to $29,999	$30,000 to $39,999	$40,000 to $49,999	$50,000 to $69,999	$70,000 and more
Income	$63,563	-$1,092	$8,003	$12,662	$17,461	$24,896	$34,708	$44,733	$59,319	$128,930
Expenditures	$50,486	$23,036	$19,125	$21,120	$25,536	$30,367	$35,778	$40,527	$50,465	$83,700
Difference	$13,077	-$24,128	-$11,122	-$8,458	-$8,075	-$5,471	-$1,070	$4,206	$8,854	$45,230
Shelter	20.2	25.6	24.0	23.1	23.0	21.4	20.3	21.2	19.9	19.3
Utility	7.2	8.1	10.3	11.2	10.2	9.8	9.1	8.6	7.7	5.8
Electricity	2.7	3.3	4.0	4.6	4.2	3.8	3.4	3.2	2.8	2.1

2007	All consumer Units	Less than $5,000	$5,000 to $9,999	$10,000 to $14,999	$15,000 to 19,999	$20,000 to $29,999	$30,000 to $39,999	$40,000 to $49,999	$50,000 to $69,999	$70,000 and more
Income	$63,091	-$1,053	$8,079	$12,676	$17,307	$24,893	$34,751	$44,555	$59,527	$130,455
Expenditures	$49,638	$19,697	$16,623	$20,611	$24,106	$29,704	$34,739	$41,083	$50,428	$84,072
Difference	$13,453	-$20,750	-$8,544	-$7,935	-$6,799	-$4,811	$12	$3,472	$9,099	$46,383
Shelter	20.2	24.4	24.8	23.7	23.7	21.7	21.2	19.9	19.6	19.5
Utility	7.0	8.8	10.6	10.8	10.0	9.3	8.8	8.0	7.3	5.7
Electricity	2.6	3.6	4.4	4.4	4.0	3.6	3.4	3.1	2.7	2.0

2006	All consumer Units	Less than $5,000	$5,000 to $9,999	$10,000 to $14,999	$15,000 to 19,999	$20,000 to $29,999	$30,000 to $39,999	$40,000 to $49,999	$50,000 to $69,999	$70,000 and more
Income	$60,533	$439	$8,006	$12,551	$17,462	$24,905	$34,685	$44,620	$59,253	$125,688
Expenditures	$48,398	$20,709	$16,751	$20,612	$24,422	$29,042	$35,108	$39,573	$50,086	$82,294
Difference	$12,135	-$20,270	-$8,745	-$8,061	-$6,960	-$4,137	-$423	$5,047	$9,167	$43,394
Shelter	20.0	24.3	25.2	22.8	22.1	21.7	20.8	20.4	19.4	19.3
Utility	7.0	8.8	10.8	10.7	10.4	9.5	8.5	8.3	7.5	5.6
Electricity	2.6	3.5	4.5	4.3	4.1	3.7	3.3	3.1	2.7	2.0

SOURCE: Bureau of Labor Statistics, Consumer Expenditures Survey (annual).

Basic Family Needs Budget By Number of Parents (P) and Children (C) (Selected Geographic Areas—Illinois) (2008)						
Metro Area	1P/1C	1P/2C	1P/3C	2P/1C	2P/2C	2P/3C
Bloomington-Normal, IL	$31,080	$39,220	$51,333	$37,117	$44,458	$56,107
Bond County, IL	$27,268	$35,294	$48,692	$33,947	$41,459	$53,465
Champaign-Urbana, IL	$30,795	$38,998	$49,952	$36,899	$44,237	$54,726
Chicago-Naperville-Joliet, IL	$36,130	$43,778	$55,368	$41,553	$48,800	$60,111
Danville, IL	$28,147	$36,261	$46,789	$34,813	$42,139	$51,563
Davenport-Moline-Rock Island, IA-IL	$29,321	$37,682	$49,020	$35,510	$42,724	$53,470
Decatur, IL	$28,535	$36,815	$48,711	$35,172	$42,439	$53,485
DeKalb County, IL	$33,931	$41,530	$53,677	$39,389	$46,679	$58,450
Grundy County, IL	$34,640	$42,190	$53,919	$40,050	$47,339	$58,690
Kankakee-Bradley, IL	$31,105	$39,240	$50,812	$37,136	$44,478	$55,587
Kendall County, IL	$36,688	$44,291	$59,123	$42,095	$49,342	$63,897
Macoupin County, IL	$28,717	$37,014	$47,890	$35,336	$42,578	$52,664
Peoria, IL	$28,804	$37,112	$48,659	$35,034	$42,323	$53,110
Rockford, IL	$29,980	$38,269	$50,040	$35,961	$43,281	$54,491
Rural	$28,263	$38,916	$51,602	$35,726	$44,859	$57,081
Springfield, IL MSA	$29,788	$38,119	$49,593	$36,125	$43,456	$54,365
St. Louis, MO-IL	$31,578	$39,589	$51,263	$37,536	$44,875	$56,086
100% FPL (2008)	$14,000	$17,600	$21,200	$`7,600	$21,200	$24,800
SOURCE: Economic Policy Institute, Basic Family Needs Budget Calculator						

Basic Needs Budget: Chicago, IL (2008)
Single-parent family with 2 children, ages 6 and 9

	Annual	Monthly
Rent and utilities	$11,328	$944
Food	$6,460	$538
Child care (center-based)	$14,029	$1,169
Health insurance premiums (employer-based)	$2,265	$189
Out-of-pocket medical	$564	$47
Transportation	$900	$75
Other necessities	$4,803	$400
Debt	$0	$0
Payroll taxes	$3,468	$289
Income taxes (includes credits)	$1,512	$126
TOTAL	$45,328	$3,777

Hourly wage needed: **$22**
Percent of the federal poverty level: **258%**
SOURCE: National Center for Children in Poverty.

Median Income by County: 2000 and 2007 and Change			
County	2000 (2007$)	2007	Dollar Change
Cook	$57,144	$52,564	($4,580)
DuPage	$84,477	$73,472	($11,005)
Kane	$73,855	$68.484	($5,371)
Lake	$83,340	$77,834	($5,506)
McHenry	$80,668	$73.286	($7,382)
Will	$77,448	$71,384	($6,064)
SOURCE: 2009 Report on Chicago Region Poverty, Heartland Alliance			

Median Income by County: 2000 and 2008 and Change											
County	99-00	00-01	01-02	02-03	03-04	04-05	05-06	06-07	07-08	Percent Change 1999-2000 – 2007-2008	
										Nominal Dollars	Inflation Adjusted Dollars
Cook	$44,184	$44,404	$43,146	$42,723	$43,154	$46,252	$49,801	$51,618	$53,557	21%	-1%
DuPage	$67,567	$68,035	$65,880	$64,377	$65,537	$68,654	$72,149	$73,753	$75,429	12%	-8%
Kane	$58,292	$59,335	$59,399	$59,786	$60,516	$62,338	$63,769	$66,311	$67,674	16%	-5%
Lake	$66,122	$67,098	$66,975	$66,447	$66,743	$68,106	$72,167	$76,533	$78,261	18%	-3%
McHenry	$65,779	$67,277	$67,760	$68,225	$69,332	$70,807	$71,802	$73,272	$76,886	17%	-4%
Will	$61,718	$62,850	$63,114	$63,469	$64,943	$67,505	$70,728	$72,230	$74,079	20%	-2%
SOURCE: Kids Count Data Book: Illinois, Voices for Illinois Children (2009)											

Median Income for Families with Children (2008)								
County	Median Income (total population) /a/	Percent of Family Population with Children				Median Income (2008)		
		Total with Children	Married Couple	Single Mother	Single Father	Married Couple	Single Mother	Single Father
Cook	$60,928	578,024	66%	27%	7%	$83,038	$26,806	$40,495
DuPage	$94,635	121,070	81%	14%	5%	$107,821	$38,023	$41,989
Kane	$73,398	66,220	77%	17%	7%	$88,841	$29,258	$42,073
Lake	$90,616	92,046	79%	16%	5%	$105,853	$34,622	$51,675
McHenry	$90,326	42,115	83%	13%	5%	$98,562	$33,145	$53,941
Will	$84,881	90,784	80%	15%	5%	$95,346	$32,104	$53,734

NOTES:

/a/ Three year average, 2006 – 2008 (2008 $s).

SOURCE: Kids Count Data Book: Illinois, Voices for Illinois Children (2009)

Schedule RDC-7

Average Income by Income Quintile (Illinois) by Three Year Averages			
	87 - 89	98 - 00	04 – 06
Bottom Quintile	$16,213	$19,928	$18,340
2nd Quintile	$32,977	$37,861	$36,829
3rd Quintile	$47,522	$55,076	$53,447
4th Quintile	$63,076	$72,492	$73,378
5th Quintile	$102,470	$125,131	$138,011
SOURCE: Pulling Apart: A State-by-State Analysis of Income Trends (2008).			

Self-Sufficiency Wage by Geography (2009) (Chicago and Environs) (Three persons family: parent, preschool-age child, school-age child)			
	Hourly	Annual	Geographic Areas with Higher Wage
North suburban Cook County	$27.35	$57,767	2
West suburban Cook County	$24.77	$52,305	8
South suburban Cook County	$25.31	$53,448	7
Chicago: North Side	$26.42	$55,795	5
Chicago: West Side	$23.97	$50,624	11
Chicago: South Side	$24.03	$50,741	10
DuPage County	$29.31	$61,910	0
Kane County	$27.14	$57,314	3
Kendall County	$24.47	$51,674	9
Lake County	$27.53	$58,137	1
McHenry County	$26.88	$56,779	4
Will County	$25.95	$54,804	6
100% Federal Poverty Level	---	$18,310	---
SOURCE: Getting by and Getting Ahead: The 2009 Illinois Self-Sufficiency Standard: What Illinois Families Need to Make Ends Meet and How to Help Them Get There (September 2009).			

Self-Sufficiency Wage by Geography (2009) (Chicago and Environs) (Three person family: parent, preschool-age child, school-age child) Compared to Average Wage per Job (2006 – 2008)				
	Self-Sufficiency Standard /a/	Average Wage per Job /b/		
		2006	2007	2008
North suburban Cook County	$57,767	$49,516 $52,391	$51,757 $54,915	$52,772 $56,107
West suburban Cook County	$52,305			
South suburban Cook County	$53,448			
Chicago: North Side	$55,795			
Chicago: West Side	$50,624			
Chicago: South Side	$50,741			
DuPage County	$61,910	$51,620	$53,746	$54,562
Kane County	$57,314	$40,412	$41,063	$42,122
Kendall County	$51,674	$38,756	$39,116	$39,418
Lake County	$58,137	$53,377	$57,779	$57,357
McHenry County	$56,779	$38,169	$39,240	$39,989
Will County	$54,804	$39,285	$40,041	$41,374

SOURCE:

/a/ Getting by and Getting Ahead: The 2009 Illinois Self-Sufficiency Standard: What Illinois Families Need to Make Ends meet and How to Help Them Get There (September 2009).
/b/ Bureau of Economic Analysis, U.S. Department of Commerce, Regional Economic Accounts, Average Wage per Job (annual). (The first figure presented is for the Chicago metropolitan area. The second is for Cook County.)

Self-Sufficiency Wage by Geography (2009) (Chicago and Environs) (Three persons family: parent, preschool-age child, school-age child) Compared to Average Renter Wage (2006 – 2008)					
	Self-Sufficiency (hourly wage)	Renter Wage			
		Pct Total HHs that are Renters	Hourly Wage		
			2006	2007 - 2008	2009
North suburban Cook County	$27.35				
West suburban Cook County	$24.77				
South suburban Cook County	$25.31	35%	$14.82	$16.32	$17.20
Chicago: North Side	$26.42	42%	$16.05	$17.66	$18.64
Chicago: West Side	$23.97				
Chicago: South Side	$24.03				
DuPage County	$29.31	24%	$14.62	$16.24	$17.03
Kane County	$27.14	24%	$10.20	$11.17	$11.39
Kendall County	$24.47	16%	$11.35	$11.95	$11.99
Lake County	$27.53	22%	$12.72	$14.31	$15.86
McHenry County	$26.88	17%	$9.88	$10.80	$11.16
Will County	$25.95	17%	$9.36	$10.00	$10.22

SOURCE:

/a/ Getting by and Getting Ahead: The 2009 Illinois Self-Sufficiency Standard: What Illinois Families Need to make ends meet and how to help them get there (September 2009).
/b/Out of Reach: Why Everyday People Can't Afford Housing (National Low-Income Housing Coalition) (annual). (The first figure presented is for the Chicago metropolitan area. The second is for Cook County.)

Average Wage by Educational Attainment (2007)					
County	Less than HS Graduate	HS Graduate	Some College or Associate's	Bachelor's Degree	Post-Graduate / Professional
Cook	$21,045	$27,384	$35,093	$50,753	$64,992
DuPage	$21,638	$31,546	$40,303	$52,296	$77,461
Kane	$21,123	$30,528	$40,359	$55,624	$68,223
Lake	$20,393	$32,307	$39,857	$57,591	$79,957
McHenry	$22,401	$34,561	$40,874	$51,552	$61,657
Will	$26,972	$33,313	$40,657	$51,866	$65,708
SOURCE:					

Educational Attainment (Population 25 Years or Older) (2006 – 2008)				
County	Less than HS Graduate	HS Graduate	Some College or Associate's	Bachelor's Degree or Higher
Cook	18%	26%	25%	32%
DuPage	8%	21%	27%	45%
Kane	17%	25%	26%	32%
Lake	12%	21%	26%	41%
McHenry	9%	29%	31%	31%
Will	11%	29%	31%	30%
SOURCE: Illinois Kids Count Data Book: 2010				

Schedule RDC-12

Low Wage Employment in Illinois				
Wage Category	Wage Range		Employment	
	Low	High	Number	Percent
Very low wage	---	$15,290	237,950	4.12%
Low wage	$15,291	$20,340	942,370	16.33%
Medium low wage	$20,341	$31,650	1,828,970	31.69%
Medium high wage	$31,651	$51,400	1,364,750	23.64%
High wage	$51,401	$76,050	1,145,120	19.84%
Very high wage	$76,051	---	253,120	4.39%
Totals	---	---	5,772,280	100%
SOURCE: Low Wage Employment in Illinois, Center for Governmental Studies, Office for Social Policy Research, Northern Illinois University. This Center is the university institute that publishes the annual State of Working Illinois report.				

Chicago Region Poverty by County (2007)			
	Poverty (under 100% FPL)	Extreme Poverty (under 50% FPL)	Low Income (100% - 199% FPL)
Chicago	20.5%	9.1%	20.6%
Suburban Cook County	8.3%	3.7%	14.2%
DuPage	4.5%	2.2%	11.3%
Kane	7.6%	2.9%	15.0%
Lake	6.1%	2.6%	11.9%
McHenry	5.7%	2.6%	9.6%
Will	5.8%	2.8%	11.5%
SOURCE: Heartland Alliance, 2009 Report on Chicago Region Poverty.			

Disconnections and Disconnect Notices: LIHEAP vs. Residential (Commonwealth Edison)

LIHEAP	DNP-Ns /a/	DNPs /b/	Ratio
2009	90,663	22,671	4.0
2010 (YTD)	89,683	17,232	5.2
Residential	DNP-Ns	DNPs	Ratio
2009	1,892,723	144,593	13.1
2010 (YTD)	1,417,190	98,756	14.4

NOTES:

/a/ DNP-Ns: Disconnect for Nonpayment Notices
/b/ DNPs: Disconnections for Nonpayment

Schedule RDC-15

LIHEAP Billings and Collections by Month
(Commonwealth Edison Company)

Year	Month	Bills	Revenue	Coverage
2008	10	$9,466,623	$19,095,649	202%
	11	$10,055,227	$12,821,865	128%
	12	$13,419,534	$16,447,493	123%
2009	1	$23,495,380	$15,228,189	65%
	2	$19,785,267	$15,330,638	77%
	3	$17,076,074	$18,100,655	106%
	4	$15,168,159	$22,164,328	146%
	5	$13,008,853	$13,492,382	104%
	6	$12,452,293	$14,715,135	118%
	7	$15,492,242	$17,197,293	111%
	8	$15,070,403	$22,726,137	151%
	9	$13,793,093	$15,760,105	114%
	10	$11,143,242	$17,182,871	154%
	11	$11,954,088	$17,882,533	150%
	12	$14,122,753	$11,663,696	83%
2010	1	$22,815,151	$14,430,569	63%
	2	$20,561,649	$17,431,726	85%
	3	$17,431,032	$16,188,509	93%
	4	$14,903,860	$20,937,610	140%
	5	$13,898,058	$14,755,501	106%
	6	$18,764,197	$15,331,567	82%
	7	---	---	---
	8	---	---	---
	9	---	---	---

Regional Foreclosure Filings Going to Auction, 2005 to 2010 (YTD)

	Auctions by Year						Change	
	2005	2006	2007	2008	2009	2010	2005 to 2010	2007 to 2010
Chicago	2,271	2,905	6,105	NA	8,815	9,311	410%	153%
North Cook	56	81	267	NA	783	915	1634%	343%
Northwest Cook	168	302	698	NA	1,566	2,245	1336%	322%
West Cook	7	384	900	NA	1,773	2,071	29586%	230%
Southwest Cook	189	215	472	NA	931	1,139	603%	241%
South Cook	1,400	1,537	2,163	NA	2,243	2,325	166%	107%
Cook	4,341	5,424	10,605	NA	16,111	18,007	415%	170%
DuPage	219	342	825	NA	1,960	1,926	879%	233%
Kane	176	331	851	NA	1,677	1,801	1023%	212%
Lake	NA	NA	NA	NA	2,030	2,111	NA	NA
McHenry	180	230	358	NA	64	58	32%	16%
Will	611	611	1,088	NA	1,990	2,118	347%	195%

SOURCE: Woodstock Institute, Foreclosure Factbook (2010).

Food Stamp Recipients by County, Chicago Area			
	Recipients June 2009	Percent of Population Receiving Food Stamps	Change in Number of Recipients 2007-2009
Cook County	786,657	15%	20%
DuPage County	41,881	4%	50%
Kane County	47,479	9%	47%
Lake County	42,012	6%	37%
McHenry County	11,271	3%	68%
Will County	46,043	7%	45%
SOURCE: Illinois Kids Count Data Book: 2010 (Voices for Illinois Children).			